



Training, information and representation for regional development organizations serving small metropolitan and rural America

WRITTEN STATEMENT FOR THE RECORD

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**BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE**

**WASHINGTON, DC
APRIL 28, 2004**

EXECUTIVE SUMMARY

- The Economic Development Administration (EDA) is a vital federal resource for distressed areas striving to improve their local economies through private sector job growth. This applies to localities struggling to overcome both long-term economic challenges and sudden and severe hardships caused by manufacturing plant closings, military base closures, natural disasters, declines in core industries and other related events.
- The Economic Development District planning program is a proven and essential resource for our nation's distressed communities, particularly in small metropolitan and rural America. As stated in a 2002 program evaluation by Wayne State University, the national network of 320 planning and development districts has built a notable record of facilitating a comprehensive strategic planning process that "provides the critical backbone for economic development planning at the local level."
- The EDA public works program provides valuable financial assistance to build, rebuild or expand the basic public infrastructure needed to develop new businesses or retain existing companies. The average EDA public works investment is typically leveraged ten to one by the private sector, according to an in-depth study by Rutgers University. Long-term jobs have been created and retained historically at an average cost of \$3,058 per job, among the lowest ratios in government.
- The EDA Revolving Loan Fund (RLF) program is a powerful and essential economic development tool for addressing the credit gaps that exist in distressed communities, particularly in underserved rural areas. By using limited public funds to leverage private capital, locally managed RLFs are providing business capital to thousands of new and existing companies that have difficulty securing conventional financing.

Thank you, Mr. Chairman and members of the committee, for the opportunity to testify today on issues related to the reauthorization of the Economic Development Administration (EDA).

My name is Gary Gorshing. I am the Executive Director of the South Western Oklahoma Development Authority (SWODA), headquartered in Burns Flat, and I also currently serve as the President of the National Association of Development Organizations (NADO).

In my testimony, Mr. Chairman, I plan to discuss the unique role EDA plays within the portfolio of federal economic development programs. I will highlight the impact of EDA investments at the local level and demonstrate the overwhelming value of the planning, public works, revolving loan fund and economic adjustment assistance programs. While NADO strongly supports the compromise bill (HR 2535) adopted by the US House of Representatives in October 2003, I will also offer some modest suggestions to improve and clarify the legislation from the regional and local perspective.

ABOUT NADO AND SWODA

The **National Association of Development Organizations (NADO)** provides training, information and representation for regional development organizations serving the 82 million residents of small metropolitan and rural America. The association, founded in 1967 as a national public interest group, is a leading advocate for a regional approach to community and economic development. NADO is part of the intergovernmental partnership among federal, state, regional and local officials. The association is also a member of the Coalition for Economic Development, a consortium of national organizations working to advance the goals and mission of the Economic Development Administration. The coalition includes representatives of regional councils of government, city and county officials, economic development councils, EDA university centers and community-based nonprofits.

NADO members—known locally as councils of government, economic development districts, local development districts, planning and development districts and regional planning commissions—provide administrative, professional and technical assistance to over 2,000 counties and 15,000 small cities and towns. These organizations administer and deliver a variety of federal and state programs. Based on local needs, programs may include aging, census, community and economic development, emergency management planning, homeland security, housing, small business development finance, transportation and workforce development. A policy board of local elected officials, business leaders and citizen representatives typically governs each regional organization. Associate members of NADO include state and local agencies, educational and nonprofit organizations, businesses and individuals.

The **South Western Oklahoma Development Authority (SWODA)** serves eight counties, 46 cities and towns, and ten conservation districts within the region. In addition to providing planning and technical assistance to local communities, SWODA delivers aging services as an Area Agency on Aging; administers four loan programs including USDA Intermediary Relending Program (IRP), SBA 7A loan Guaranty Program, SBA 504 loan program and a SWODA revolving loan fund; manages the 3,000-acre Clinton-Sherman Industrial Airpark, a former defense facility; administers local Workforce Investment Act programs; and assists local communities with EDA, USDA and HUD Community Development Block Grant proposals, capital improvement planning, rural fire defense initiatives, solid waste projects, historic preservation efforts and other community development initiatives.

We believe, Mr. Chairman, there are four major reasons for the committee to support a multi-year reauthorization of the Economic Development Administration (EDA).

1. EDA has a unique and clearly defined role within the broad portfolio of federal economic development programs.
2. The EDA planning program for multi-county economic development districts is a proven, cost-effective and essential resource for the nation's distressed communities, particularly in small metropolitan and rural regions.
3. The EDA public works program is a flexible and vital resource for helping distressed communities develop the most fundamental building block for economic development – public infrastructure.
4. The EDA Revolving Loan Fund (RLF) program is a powerful and indispensable economic development tool for addressing the credit gaps that exist in many distressed communities, especially in underserved small metropolitan and rural areas.

First, Mr. Chairman, the Economic Development Administration (EDA) has a unique and clearly defined role within the broad portfolio of federal economic development programs. As the only federal agency focused solely on private sector job growth and sustainability, EDA is a vital resource for distressed communities striving to improve their local economies. Whether it is through infrastructure grants, strategic planning assistance, business development capital or technical assistance, EDA investments are designed to promote economic opportunities in impoverished communities. Most importantly, EDA investments are typically the seed funds or gap financing that make locally identified projects a reality in the nation's poorer areas.

Over the years, the agency has developed a strong record in assisting communities who are struggling to overcome both long-term economic challenges and sudden and severe hardships. Through its full range of program tools, the agency has been uniquely positioned to help areas recover from military base closures, manufacturing plant closings and job losses, natural disasters and declines in natural-resource based industries like coal, fisheries and timber.

The agency has also developed important partnerships at the state, regional and local levels. These relationships with regional development organizations, local governments, Tribal governments, universities and others are an essential part of carrying out the agency's traditional "bottom-up" philosophy. As reinforced in various academic studies and evaluations, EDA investments are among the most efficient and cost-effective in government because they originate from a local planning process, require a substantial financial match from local grantees and focus on private sector job creation.

At a time when Congress must make difficult choices on agency budgets, EDA is an agency that merits the full support and commitment of the committee. Therefore, we respectfully urge the committee to develop and approve a multi-year reauthorization bill that maintains the agency's current mission and program focus of helping bring economic opportunities to all of the nation's distressed communities, with a special emphasis on small metropolitan and rural America.

Second, Mr. Chairman, the economic development district planning program is a proven, cost-effective and essential resource for our nation's distressed communities, particularly in small metropolitan and rural regions. As reported in a 2002 program evaluation by Wayne State University, the national network of 320 economic development districts has developed an impressive record of facilitating a comprehensive strategic planning process that "provides the critical backbone for economic development planning at the local level."

By leveraging modest EDA planning funds with local dollars, these multi-county development districts provide vital professional, administrative and technical assistance to local government officials, business leaders, nonprofits and communities. This is particularly true in small metropolitan and rural regions where local governments often lack professional staff capacity. According to a 2001 study by the National Association of Counties, over 60 percent of metropolitan counties have full-time economic development staff, compared to only 34 percent of rural counties. Furthermore, nearly 85 percent of the nation's 39,000 units of local government serve populations below 5,000 and almost 30 percent have no professional staff. As a result, most of the nation's smaller communities rely heavily on EDA-funded planning and development districts for professional and technical support.

As part of the Comprehensive Economic Development Strategies (CEDS) process, districts bring local elected officials, business leaders and community representatives together to prepare and implement strategies aimed at helping a multi-county region become or remain full participants in the nation's economic mainstream. Whether a region is currently enjoying economic stability or coping with long-term challenges such as declines in traditional industries, it must prepare for tomorrow or risk falling behind in today's competitive global and high-tech marketplace.

Districts are now engaged in comprehensive planning and implementation that reflects the dramatically changing national and global economy. Today's regional plans may encompass strategies for using technology as an economic development tool, building local workforce capacity in distressed areas and enabling communities to diversify economies. In addition to the planning functions, districts spend a significant amount of time and staff resources helping local communities administer and package public and private sector financing for projects, navigate the reams of bureaucratic red-tape, and collect and analyze the data needed to make informed and educated decisions.

With advanced technologies, such as Geographic Information Systems (GIS) and Global Positioning Systems (GPS), many districts are now providing state-of-the-art assistance to local constituents. While the possibilities for GIS are almost endless, activities range from mapping areas with failing septic systems in order to identify areas where alternative treatment systems are needed, to simulating the land use and environmental impact of business locations in a specific area, to marketing and showcasing business parks over the Internet. As noted in the 1998 House committee report on EDA reauthorization, EDA should be encouraged to further enhance GIS-related activities of the districts.

The Southeast Tennessee Development District offers a good example of the power of comprehensive planning. McMinn County, located in the southeast corner of the state, was facing overcrowded jails, an overflowing landfill and growing debt. Over a ten-year period, the district facilitated a strategic planning process with county leaders to address these pressing needs. After implementing ideas developed during the planning process, the county is now debt-free and follows a pay-as-you-go policy. As a result, the county is now in a better position to pursue new economic opportunities, such as the expansion of NuMarkets, a consignment seller for eBay that plans to expand from 21 workers today to at least 300 in the next two years.

The planning districts in Oklahoma, including SWODA, are using GIS and GPS technologies to develop capital improvement plans for local governments, a process that requires inventorying of all public assets. By cataloging and mapping every road, bridge, water line, public building and other assets, the districts can create visuals and data for local elected officials and business leaders who are developing economic development strategies. The information can also be used for transportation planning, zoning decisions, land use management, disaster mitigation planning and an endless list of

other activities. Without the expertise and capacity of the districts, most local jurisdictions would never have the economies of scale, resources or skills required to engage in this important visioning activity.

In Missouri, the Boonslick Regional Planning Commission leveraged EDA planning resources to lead an effort to craft a Comprehensive Economic Development Strategy for its region in the late 1990s. The planning process resulted in several new ambitious goals for the agency and the region to pursue. Four of the top goals involved establishing affordable housing opportunities for working families, securing resources for infrastructure improvements, enhancing services for special populations within the region, and creating a financing tool to help local banks support business growth and job creation. Since the creation of the CEDS, significant progress has been made toward achieving these four goals.

The Boonslick Regional Planning Commission has worked with local communities and developers to improve affordable housing opportunities. Thirty-six new homes have been built for families working in the region. These homes are 1,200 square feet and were sold for less than \$80,000. Down payment assistance was provided to help homebuyers secure conventional financing. Additionally, the region has completed renovations on more than 60 housing units, improving the housing quality for working families in rural communities.

To assist special populations, the planning district helped with an innovative project that provides public transportation services in Lincoln County. The system, know as The Linc, provides public transportation Monday through Friday for any resident of Lincoln County. Since its inception in 2002 The Linc has provided more than 12,000 trips. Fifty-four percent of these trips are for employment. Individuals that could not work because of transportation limitations are now able to hold full-time positions because of the availability of public transportation.

The Boonslick RPC has been working diligently to secure financing to assist communities improve and expand their infrastructure to support economic growth in the region. Since the CEDS was completed, more than \$30 million has been invested in local infrastructure projects. The organization also created a new revolving loan fund (RLF) to assist local banks finance business start-up and expansion. The district leveraged \$200,000 in local money with \$300,000 from EDA and \$100,000 from the State of Missouri. Since the fund was created two years ago, the RLF has loaned \$580,000, helped create or retain 170 new jobs, and leveraged private investments of more than \$3.5 million.

The Northeast Oregon Economic Development District has also worked to diversify the economy of its rural region. The group established Enterprise Facilitation to increase community capacity by promoting local entrepreneurship and assisting individual start-ups, business improvement and expansion planning. The program draws on the expertise of a volunteer local board and facilitator to help each entrepreneur build a support team with the strengths to cover business development areas, such as marketing and financial management. The program has served 264 entrepreneurs, 15 start-ups and 11 business expansions with job creation. The organization has leveraged public and private sector funds, including EDA, to maintain the initiative.

In central Pennsylvania, SEDA-COG established a resource center that helps organize partnerships for community success, achieve local development objectives and shape community identity through town planning and urban design. The project is the culmination of a regional effort to strengthen bonds between Lewistown and the surrounding municipalities. By placing downtown development in the context of a regional community, this initiative breaks new ground for small town conservation and economic development. It has stimulated a constructive dialogue, spawned new regional connections and improved intergovernmental cooperation. In addition, nonprofit capacity has been enhanced,

private capital has been committed and leveraged, and businesses have benefited from the resulting downtown-based services and training opportunities.

These examples offer only a small sample of the impact and achievements of the nation's 320 EDA-designated economic development districts. These locally-controlled organizations have consistently demonstrated the indispensable value of EDA planning grants. Although the average \$54,000 grant for each district is small by Washington standards, it means a world of difference to the thousands of rural counties and small towns served by the program. Unfortunately, the true purchasing power of the district planning money has been eroded over the past 30 years to less than 15 cents on the dollar. In addition, the limited pool of resources has been stretched in recent years as the agency tries to assist designated-but-unfunded districts across the country.

As mentioned above, the comprehensive evaluation conducted by Wayne State University's Center for Urban Studies in 2002 found that districts are both effective and essential to local development. The summary of the report frames the work of the districts best by stating, "economic development districts have been effective instruments promoting cooperation, coordinating needs assessments, and through the CEDS [Comprehensive Economic Development Strategies] process, generating the kind of regional planning needed to effectively promote positive economic change."

To further enhance the performance of economic development districts, NADO specifically urges the committee to increase financial resources for the national network of 320 economic development districts. While the districts have stretched and leveraged their modest resources for years, nearly 30 years of inflation costs and new program demands make a modest funding increase a top priority.

NADO urges the committee to maintain and strengthen the leadership and coordinating role of the economic development districts in the crafting of regional and local Comprehensive Economic Development Strategies. This includes retaining the revised planning performance bonus incentive established in the House bill (HR 2535). This modest bonus of five percent for public works and economic adjustment projects is an important incentive at the local level to promote and facilitate regional cooperation of local communities. While it is often easy to preach and talk about regional cooperation, the reality is frequently more difficult to achieve.

In addition, the association and its members remain concerned that there is a misunderstanding of the value and role of the planning program at the regional and local levels. Historically, EDA planning grants have been used to help regions develop comprehensive development strategies, which is an important and critical mission. But their more important outcome is the professional and technical capacity developed at the local level within the economic development districts. Without the flexibility and expertise of the districts, most local communities would severely lack the ability to pursue new economic opportunities, have the skills to package complex development deals and navigate the burdensome and intricate reams of federal and state paperwork. Therefore, we ask the committee to ensure that the district planning program will remain a vibrant and flexible resource for local areas.

Third, Mr. Chairman, the EDA public works program is an essential, flexible and cost-effective partner for helping distressed communities develop the most basic economic building block—public infrastructure.

Year after year, local elected officials and economic development professionals in rural and small town America identify infrastructure development as their primary concern for economic development. While there are other federal programs, such as the HUD Community Development Block Grant

program, USDA rural development and the EPA clean water and drinking water funds, the EDA public works program is the only program focused solely on projects tied to private sector job growth and sustainability. It is also different because it is a cost-sharing grant program targeted directly at distressed local communities, unlike many of the other federal programs that either are administered by the states or only offer loans and loan guarantees to communities already financially strapped.

The value and success of the EDA public works program has been validated repeatedly over the years. Traditionally, the average EDA infrastructure investment has been leveraged ten to one by the private sector, according to an in-depth study by Rutgers University. More importantly, EDA projects help distressed communities create quality long-term jobs at an average cost of \$3,058 per job, which is among the lowest and most efficient in government. The Rutgers report underscores that the near-perfect on-time completion of EDA public works projects is the direct result of the planning phase that precedes the project selection.

Throughout its history, EDA has also been recognized as a national leader and innovator in the economic development field. Many cutting-edge practices have emerged from the public works program, such as business incubator buildings, smart technology parks, eco-industrial parks, and the redevelopment of brownfields. Without the financial and technical support of EDA and its local partners, most distressed communities in small metropolitan and rural America would never have the opportunity to implement these essential infrastructure-related projects.

In my home region in Oklahoma, EDA has made several valuable investments. In 1992, for example, the City of Clinton received assistance from EDA to help meet an overwhelming need for expanded sewer treatment. Without this assistance, it is most certain that BAR-S Company, a major local employer, would have been forced to close its plant in Clinton. This would have resulted in the loss of approximately 400 quality jobs in our very rural region.

In Tennessee, EDA invested \$1.5 million in public works money to partially finance water system improvements at the North Etowah Industrial Park. The project allowed a brake manufacturer for the automotive and truck industry to commence production operations of its second state-of-the-art facility in 2001. The EDA project also helped locate a second automotive supplier in a spec building within the industrial park.

Since the completion of the EDA financed infrastructure improvements, the city of Etowah has realized an 18 percent increase in its local tax base. Moreover, given the quality of the companies and the higher-than-average wages (\$12 per hour or better) the per capita income increased from \$16,924 to \$20,395. Recently, the two businesses have announced expansion plans due to upcoming regulatory changes in the automotive industry. The changes are expected to generate an additional 250 jobs coupled with a \$115 million private sector investment.

EDA invested nearly \$3 million in infrastructure improvements to sustain a major local industry in Montana. A local company constructed a \$550 million plant in Silver Bow, just west of Butte. The company converts metallurgical-grade silicon into silane gas and polycrystalline silicon products including rods and chunks. These products are sold to other companies that use the material to produce single crystal wafers, which are later sold and used by companies, such as, Motorola, Micron, and Intel to make semiconductor devices such as memory chips and microprocessors. Currently, 220 people are employed at the plant and an additional 60 jobs will be created in this small city. The average annual salary of the workers is \$55,000.

In Florida, EDA is playing an instrumental role in helping the Town of Altha develop the basic infrastructure needed to support and sustain existing businesses. EDA contributed about \$320,000 of the total project cost of \$823,000 to construct a new water line, upgrade an existing water line and install a new well and pump. As a result of the project, Oglesby Plants International, Inc. is committed to creating 15 new jobs and retaining 125 existing jobs.

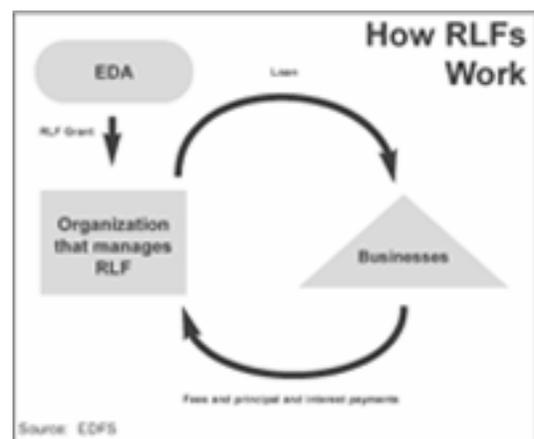
EDA has also helped the City of Palatka in Florida, a traditionally distressed community, build the basic infrastructure needed to retain and attract light industrial and manufacturing firms. The project involved making improvements to an industrial park, including the installation of water and sewer lines, a lift station and fire suppression infrastructure. Among the immediate impacts, Sykes Enterprises, Inc. will create 423 new jobs and make a private sector investment of \$14 million when they establish operations in the industrial park. Overall, the project will help the city provide employment opportunities to unemployed and underemployed workers who are seeking higher wage jobs.

As part of the EDA reauthorization package, we strongly encourage the committee to maintain fair and flexible eligibility criteria for public works grants. This includes retaining the agency's long-standing policy of helping the nation's most impoverished communities, with a special emphasis on small metropolitan and rural communities. We strongly disagree with any "one-size-fits-all" approach that directs EDA investments to only one type of industry or project, to any one type of community or to any one type of economic development philosophy. Over the years, the success of EDA has been rooted in its "bottom-up" approach. The EDA public works program is a proven program that serves as a key catalyst for economic development in distressed areas. Without it, impoverished communities would struggle to develop and sustain the infrastructure and facilities needed to develop new businesses and retain existing companies.

My fourth and final point, Mr. Chairman, is that the EDA Revolving Loan Fund (RLF) program is a successful and powerful economic development tool for addressing the credit gaps that exist in many distressed communities, particularly in underserved rural areas. By using limited public funds to leverage private capital, locally managed RLFs are providing business capital to thousands of new and existing companies that have difficulty securing conventional financing.

Capitalized with an EDA grant, RLFs are managed by public and private nonprofit organizations (including economic development districts) and are designed to further local economic development goals by lending their initial capital and then reloaning funds as payments are made on the initial loans. Loans are typically used for fixed assets or working capital needs. Organizations are also required to demonstrate how the RLF fits their local needs, as defined in a comprehensive economic development strategy.

The participation of RLF funds in a business deal usually encourages once-reluctant banks to also lend, since loan funds normally agree to let banks recoup their losses first from the business' collateral in the event of default. By providing such gap financing, loan funds have been instrumental in the growth of companies that otherwise would not have received funding.



The approximately 600 RLFs capitalized by EDA play a particularly critical role in the economic development of distressed rural areas, where alternatives to conventional financing are limited. In inner cities, community development corporations (CDCs) and municipal agencies often manage loan funds. In rural areas, where there are few CDCs and limited municipal capacity, RLFs managed by regional development organizations are often the only source of alternative financing for entrepreneurs and existing businesses. A January 2002 NADO survey of regional development organizations with loan funds found that half are the sole lender in all or part of their multi-county service area, underscoring the important role played by public entities and RLFs in creating private sector jobs in rural America. *(For more details, see the NADO Research Foundation report, "EDA RLFs Make a Difference.")*

In a rural region of Missouri, the Meramec Regional Planning Commission has helped provide business capital to a local company that has grown into a worldwide supplier of specialty chemicals, materials, and equipment to micro-electronics and opto-electronics manufacturers. In 1995, the Meramec RPC supported the company's expansion by making a working capital loan of \$150,000, which in turn leveraged \$1.3 million in private sector funds. Sixteen jobs paying an average of \$23 per hour, much higher than the regional average of \$14, were created in the small town of 16,000. Since 1992, the Meramec RPC has made 37 loans that have created and saved 758 jobs.

As noted earlier, the Boonslick RPC also established an RLF in 2002 based on recommendations made during the region's strategic planning process. The most challenging project the RLF has been involved in, according to the organization's executive director, is the construction and financing of a local food market, the Loutre Market. The market was the only grocery store serving the southwest portion of the region. It was wiped out after floods in 1993 and 1995, and the owners closed the business. This meant that the southern portion of the county was left without any grocery.

The community worked for years to attract a new store or owner. A potential owner was finally located and the community worked with all possible agencies to make the project work. They included local financing, Small Business Administration financing and community funds to try and finance the project. In the end, the group needed \$150,000 to complete the \$2 million deal. The Boonslick RPC provided the gap financing that made this project a reality. While this project example lacks the glamour of many high-priced, large-scale deals, it was a vital endeavor for this rural region. Without a local food market, it would be extremely difficult to retain existing businesses let alone attract new employers.

The decline of southwest Oregon's wood products and fishing sectors has contributed to the region's unemployment rate of more than 8 percent in recent years. To combat this trend, the CCD Business Development Corporation – which serves Coos, Curry and Douglas Counties -- has used its loan fund to create and retain over 3,200 jobs in an array of sectors. One of its borrowers is FCC Commercial Furniture in Roseburg, now one of the nation's leading manufacturers of restaurant furniture.

The company relocated from California in 1993 and occupied a vacant building formerly owned by a defunct log loader manufacturing company. CCD coordinated a loan deal that included a \$115,000 RLF loan to finance equipment and \$395,000 from the organization's other loan programs and a bank to finance other relocation costs. They hired all local workers and currently have about 110 employees.

The Genesee-Finger Lakes Regional Planning Commission, based in Rochester, has used its RLF to support high-wage, high-skills jobs in various sectors, including the region's struggling printing industry. The organization's RLF has helped finance the purchasing of software and high-end computers for high-quality printing. The RLF has also made loans to growing businesses for working capital. In the

past decade, the fund has made a total of 44 loans to 42 businesses and has created or saved 920 jobs in this transitioning region.

Despite the effectiveness of locally managed RLFs, the EDA program could be dramatically improved by implementing several no-cost or low-cost recommendations:

- EDA should recapitalize and expand the lending capacity of existing RLFs that have established a successful track record and demonstrated demand.
- A new technical assistance program should be added to complement the loan fund program to better safeguard the investments made by RLFs. The agency should allow a limited amount of RLF grant funds to be used for professional development training and continued education of RLF managers.
- The EDA RLF program should emulate other federal loan programs and defederalize RLF monies once they have been loaned out and repaid one time. Defederalization will reduce paperwork and regulatory burdens, while still requiring local accountability. It would also lessen the oversight responsibilities of EDA, which are currently perpetual for the agency.
- The agency should lower or eliminate the requirement that 75 percent of funds be loaned out at any one time. This mandate is particularly burdensome during slow economic times and in rural and remote regions. At a minimum, the agency should have the flexibility to deal with hardship cases. By mandating the 75 percent requirement, the agency runs the real risk of forcing local RLF policy committees and managers to make investments in unsound and the riskiest of deals.

CONCLUSION

In closing, Mr. Chairman, I want to reinforce NADO's support for a multi-year reauthorization bill that maintains EDA's current mission and program focus of helping bring economic opportunities to our nation's impoverished communities, particularly small town and rural America. Through its existing programs -- including the planning, public works and economic adjustment programs -- the agency serves as a vital resource for localities striving to improve their economies through private sector job growth. The agency should retain the flexibility to help all of the nation's distressed areas, whether they are struggling to overcome long-term economic challenges or sudden and severe hardships. EDA is an agency that merits the full support the committee.

I also want to state that NADO remains supportive of the agency's brownfields redevelopment efforts. In March 2002, NADO member Mary Lou Bentley of the Western Nevada Development District presented the association's positions on the issue. The association's leadership also sent a letter to Ranking Member Jim Jeffords and Senator Carl Levin in general support of the Brownfield Site Redevelopment Assistance. In the current Congress, the bill is S. 645.

Most importantly, we strongly support retaining a leadership and coordinating role for EDA-designated economic development districts both in the development of regional and local Comprehensive Economic Development Strategies and the implementation and pursuit of new economic opportunities at the local level. In the end, economic development is inherently a locally-driven process that requires regional coordination, collaboration and partnerships. The established network of economic development districts has proven over time to be an effective, cost-efficient and professional group that should be further strengthened and maintained.

Thank you again, Mr. Chairman and members of the committee, for the opportunity to testify today on the views of NADO and its membership. I would welcome any questions.